



# **FUNDRAISING IN EUROPE: A DECADE OF CHANGE**

**EFA SURVEY REPORT  
MARCH 2013**

## FOREWORD



Celebrating EFA's 10<sup>th</sup> Anniversary, this report looks back over the past decade of fundraising, citing trends and developments, also looking ahead and revealing the European fundraising community's views about what the future might hold.

In a decade that has seen greater innovation and change than ever before, our members affirm that new techniques quickly took hold, with social media and mobile technology engaging many new and younger supporters as part of charities' wider fundraising mix.

The survey demonstrates the remarkable achievements and growth of the fundraising industry in Europe, while identifying a number of barriers to be overcome and opportunities to be realised. After many years of economic instability, there is some uncertainty about the future.

And yet, fundraisers are living up to their reputation as innovators; embracing new techniques and citing the need to make better use of these methods. They are also concerned about meeting donors' increased demands for greater accountability and transparency.

With dissolving country borders and unified legislation across member states, charities across Europe are dealing with many of the same challenges and reaching out to many of the same donors across national boundaries. It has never been more important that charities come together to share information and learn from one another, raising the bar in fundraising practice internationally.

The European Fundraising Association has a key role to play in drawing the community closer together and reporting on new trends as they emerge. We will watch to see whether practitioners' caution over giving levels in 2013 is borne out and look forward to reporting back in future years.

Thank you to the team at EFA and all participants in the survey, particularly to Mette Holm (ISOBRO) and Günther Lutschinger (Fundraising Verband Austria) for their significant contribution to this project.

A handwritten signature in blue ink, reading "Becky Gilbert".

**Becky Gilbert, Vice President**

### **European Fundraising Association**

Member of the Board of Directors, Deutscher Fundraising Verband (DFRV), Germany

National Delegate to the European Fundraising Association

## EXECUTIVE SUMMARY

EFA's membership survey reviews the past decade of European fundraising and looks ahead to what the future holds. Drawing from 17 EU member states, 64.7% of national fundraising associations report that – even during the height of the global economic crisis – nonprofits have succeeded in either maintaining or increasing income levels from year to year.

Despite the growth of many new forms of fundraising, the most significant sources of voluntary income in Europe remain many of the more traditional routes to market; direct mail (for over a third of members), public collections and trust / statutory funding. Poverty, healthcare / medical research and international causes are most popular with supporters and the large majority of nations offer tax incentives to encourage donors to give to charity.

The fundraising community cites the problems faced by a skills shortage in senior level fundraisers, the economic crisis and restrictions to public collections. At the same time, respondents are united in their recognition that professional development has been one of the most positive factors to influence philanthropy and giving in recent years.

Donors have high expectations of the organisations they support and, with the growth of social media, a more powerful voice to make themselves heard. Nonprofits are concerned about meeting their demands for greater transparency and accountability and building public trust.

The fundraising community looks to Government to provide a more favourable fundraising environment at both a national and EU level, with improvements to tax incentive schemes for supporters, VAT relief and data protection legislation.

Although nonprofits in Europe have proved remarkably resilient to the global economic crisis that has dominated the last five years, the sector's confidence has taken a hit. Optimism has given way to a certain wariness about what the future holds and relatively few nations predict voluntary income growth in 2013.

## METHODOLOGY

EFA undertook a survey of its members in November to December 2012, asking fundraising associations to respond on behalf of their national fundraising sector. 17 out of EFA's 18 member nations completed the survey during a two-week period, giving a clear picture of fundraising trends from the past decade and their predictions for the future. These associations collectively represent over 1,140 fundraising organisations and 8,800 individual fundraisers.

EFA's membership survey collates the views of fundraising associations in the following nations:

Austria	Germany	Spain
Belgium	Ireland	Sweden
Czech Republic	Italy	Switzerland
Denmark	Netherlands	UK
Finland	Poland	Ukraine
France	Slovakia	

The survey established members' views across four core areas:

- ★ The National Fundraising Environment
- ★ The European Fundraising Landscape
- ★ Charities' Use of Online, Social Media & Mobile Technology
- ★ The Future

# KEY FINDINGS

## NATIONAL FUNDRAISING ENVIRONMENT

### Popularity of Charitable Causes

Across Europe, poverty and medical research / healthcare are far and above the two most popular causes to support in Europe, followed by international causes, religion and education. Online access to information about overseas charities and mass media emergency appeals co-ordinated by international relief agencies, are both likely to have been contributing factors in the increase of giving to international causes.

What are the top 3 most popular charitable causes in your nation?	
Poverty	70.6%
Healthcare or medical research	70.6%
International	41.2%
Religion	35.3%
Education	29.4%
Citizenship / community development	11.8%
Sport	11.8%
Environment	11.8%
Arts, culture, heritage or science	5.9%
Animal welfare or rescue	5.9%
Emergency services and the armed forces	5.9%

### Fundraising Methods

Although charities are investing in online and new media fundraising techniques, there is much progress to be made before the newer methods of fundraising compete with traditional fundraising methods. Direct mail remains the largest single source of voluntary income in Europe.

What fundraising method is the largest source of voluntary income in your nation?	
Top 3 Methods	Response
Direct mail	35.3%
Public collections (cash donations and face-to-face)	23.5%
Trust fundraising / Statutory grants	17.6%

### Tax Relief

Tax relief is now available for those that give to charity in almost all EU member states. Out of the 17 EU nations participating in this survey, only Finland and Slovakia does not offer tax incentives to donors that give to charity. However, half of EFA's member nations are currently seeking a more beneficial national tax relief system for charity supporters, (*The Future pg 10*).

## THE EUROPEAN FUNDRAISING LANDSCAPE

### The Economic Crisis

Nonprofits have demonstrated their resilience in recent years. Almost two thirds (64.7%) EU nations report that – even during the height of the global economic crisis – they have succeeded in either maintaining or increasing voluntary income levels from year to year.

This is reinforced by the Charities Aid Foundation's recently published World Giving Index 2012, citing a worrying global downturn in charitable giving. And yet 4 European nations remained in the top 10 giving countries, including Ireland in second position.

How the Eurozone crisis has affected fundraising	
Answer Options	Response
During the crisis, most organisations have succeeded in increasing their voluntary income from year to year	23.5%
During the crisis, most organisations have maintained voluntary income levels from year to year	41.2%
During the crisis, most organisations have suffered a fall in voluntary income from year to year	29.4%
Don't know	5.9%

### Positive Influencing Factors for Fundraising

Fundraising associations report three factors that have most positively impacted charitable giving in Europe over the past 10 years: increasing professionalism of fundraising; technological developments (social media, online, SMS and mobile giving channels) and; corporate engagement in charitable causes.

A number of factors contributed to increasing professionalism during this time including the development of the International Statement of Ethical Principles co-ordinated by the Association of Fundraising Professionals in the US and EFA Certified fundraising qualifications across Europe.

Better infrastructure is now in place to support fundraising organisations and individuals; both at a national level and across the EU; through EFA. Training and events have become widely available across member states and are delivered to a high standard.

### Top 5 factors to have positively impacted fundraising in your nation over the past 10 years

Greater professionalism within the sector (skill development, training, qualifications)	88.2%
Technological developments (advancement in mobile, SMS and online fundraising technology)	52.9%
Corporate engagement in charitable causes / issues	47.1%
Greater media exposure of charitable causes	29.4%
A challenging economic climate and restricted statutory funding has encouraged fundraisers to be even more innovative and proactive	23.5%

### Fundraising Barriers

The European fundraising community reports that a shortage in fundraising skills is the most common restriction to have impacted fundraising, followed closely by public collections licensing restrictions and the global economic crisis.

Although the legal and fiscal framework for fundraising has become more structured in recent years, with tax benefits available for donors in 83% of member states, there remains some uncertainty about how to regulate public collections effectively. A balance must be struck in finding a robust enough scheme that will protect and build public trust without imposing unnecessary restrictions on nonprofits that will limit their fundraising.

### Restrictions to fundraising nationally over the past 10 years

A shortage in fundraising skills	41.2%
Public collection licensing restrictions	29.4%
Global economic crisis	29.4%
Tax relief for charities / on charitable donations	29.4%
Marketing restrictions	23.5%
Corporate cutbacks	23.5%
Falling levels of public trust	17.6%
Statutory grant cutbacks	17.6%
VAT legislation	17.6%
Other (please specify)	11.8%

## Current Concerns

The fundraising community is most concerned about continued economic instability, donor demands for greater transparency and accountability and public trust and confidence. Donors' expectations are higher with greater demand for transparency and accountability, clear reporting and for it all to come without a price tag of administration and fundraising costs. Unprompted, nonprofits also said they were concerned about the integration of the Single European Payment Area (SEPA) and the fiscal environment for charities.

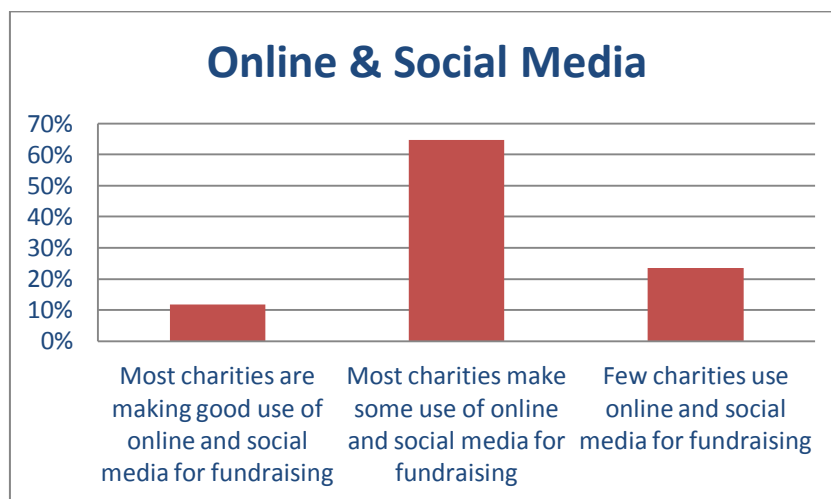
Concerns (Ranked 1-3 on a scale of not at all concerned to very concerned)	Rating Average
Continued global economic instability	2.47
Donor demands for greater transparency and accountability from charities	2.41
Public trust in charities	2.29
Restrictive fundraising regulation at a national level	2.00
Likely changes to EU data protection legislation	1.94
The cost of VAT for charities	1.88
Restrictive fundraising regulation at a central EU level	1.71



## CHARITIES' USE OF ONLINE, SOCIAL MEDIA & MOBILE TECHNOLOGY

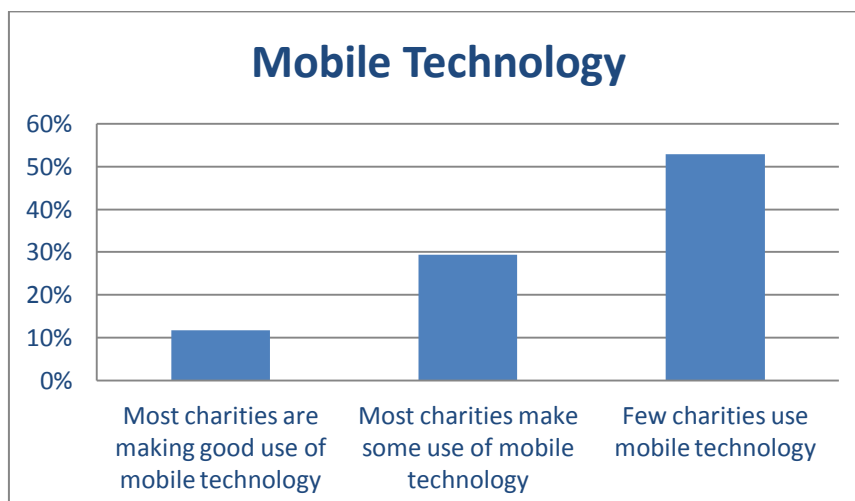
### Online & Social Media

Over the past decade, use of the web has become commonplace for fundraising. Almost two thirds (65%) of EFA's member states say that most charities in their nation are making some use of online and social media for fundraising, with 12% making good use of this technology. Nations typically report that most charities are doing some fundraising online, but to varying degrees of success.



### Mobile Technology

Mobile technology is used by many nonprofits to great success, but more than half of all member nations (54%), say that few charities are fundraising in this way. While mobile has enabled fundraisers to generate huge sums in a relatively short space of time, the industry recognises that there is much more to be achieved. It is charities in Sweden that seem to be bucking the trend, with widespread usage of this technology.



## THE FUTURE

### Voluntary Income

Nonprofits are not confident about the economic outlook with 44% of members saying that voluntary income will be maintained through 2013 and only one quarter predicting a rise over the year.

How will voluntary income change from 2012 to 2013?	
Voluntary income levels will rise	25.0%
Voluntary income will stay the same	43.8%
Voluntary income levels will fall	18.8%
Don't know	12.5%

### The Biggest Challenge

Respondents were not united about what would be the biggest challenge of the coming decade for fundraising organisations, with donor retention and continued global economic instability taking a marginal majority, followed by greater donor demands.

Top 3 Factors : The biggest challenge of the next decade	
Retention of donors / donor loyalty	25.0%
Continued global economic instability	25.0%
Greater demands from donors for transparency and accountability / impact reporting	18.8%

The theme of retaining donors and of meeting their demands was noted across Europe. Although trust and confidence in charities and charitable giving remains high, the sector reports higher expectations, with greater demand for transparency and accountability, clear reporting and for it all to come without a price tag of administration and fundraising costs. The challenge for nonprofits is to determine the best way to meet this demand, while consistently and effectively communicating their impact.

### Support from the State

Nonprofits look to Government to provide a more favourable fundraising environment at both a national and EU level. When asked to identify one central improvement that national Government could make, 50% of respondents said they wanted the introduction of or improvement to the current fiscal framework, encouraging donations from the public. EFA members want VAT relief for

nonprofits and improved fundraising regulation (some states seek the introduction of a regulatory scheme, others require less burdensome regulation).

Top 3 Changes Sought from National Governments	
Improvement to or introduction of tax incentives for charity donors	50.0%
VAT relief for charities	21.0%
Improved regulation of charity fundraising	21.0%

When it comes to central EU Government, members sought EFA's support in lobbying for data protection legislation (particularly the privacy law) and VAT reform that reflects charities' unique role in society. European nations also wanted to see greater support of cross-border giving in the future.

Top 3 Changes Sought from EU Government	
Data protection legislation	43.0%
VAT reform	43.0%
Greater support / facilitation of cross-border giving	21.0%

### The Next "Big Thing" for Fundraising

When asked what would be the next 'big thing' in fundraising, 58% of respondents indicated that it would be better use of newer fundraising methods including social media, mobile technology and crowd funding. Organisations are concerned with maximising social media as more than an engagement tool, to achieve its fundraising potential.

Innovation and adaption to changing market conditions, technological developments and donor behaviour, are essential requirements for the fundraising community as it seeks to overcome continued economic turbulence and grow income levels.

## ABOUT EFA

The European Fundraising Association (EFA) is a network of fundraising associations working to strengthen and develop fundraising across Europe.

The network of members and observers now spans 26 European countries. EFA also works closely with other international partners including fundraising associations in the US and Australia, bringing their expertise to the European community.

EFA is governed by a General Assembly made up of a representative from each country and its programme of work is directed by EFA's 7-strong Board.

The Board is led by President, Günther Lutschinger of the Austrian Fundraising Association ([Fundraising Verband Austria](#)), Vice President and Treasurer, Becky Gilbert of the German Fundraising Association ([DFRV](#)) and Vice President, Robert Kawalko of the Polish Fundraising Association ([Polskie Stowarzyszenie Fundraisingu](#)).

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